



DEPARTMENT OF TRANSPORTATION

National Highway Traffic Safety Administration

Petition for Exemption from the Federal Motor Vehicle Theft Prevention Standard;

Toyota Motor North America, Inc.

AGENCY: National Highway Traffic Safety Administration (NHTSA) Department of Transportation (DOT).

ACTION: Grant of petition for exemption.

SUMMARY: This document grants in full Toyota Motor North America, Inc.'s, (Toyota) petition for an exemption of the model year 2020 C-HR vehicle line from the Federal Motor Vehicle Theft Prevention Standard (Theft Prevention Standard). The petition is granted because the agency has determined that the antitheft device to be placed on the line as standard equipment is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard.

DATES: The exemption granted by this notice is effective beginning with the 2020 model year (MY).

FOR FURTHER INFORMATION, CONTACT: Ms. Carlita Ballard, Office of International Policy, Fuel Economy and Consumer Programs, NHTSA, West Building, W43-439, NRM-310, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Ms. Ballard's phone number is 202-366-5222. Her fax number is 202-493-2990.

SUPPLEMENTAL INFORMATION: In a petition dated September 25, 2018, Toyota requested an exemption from the parts-marking requirements of the Theft Prevention Standard for the C-HR vehicle line beginning with model year (MY) 2020. The petition requested an exemption from parts-marking pursuant to 49 CFR Part 543, “Exemption from Vehicle Theft Prevention Standard”, based on the installation of an antitheft device as standard equipment for the entire vehicle line.

Under 49 CFR Part 543.5(a), a manufacturer may petition NHTSA to grant an exemption for one vehicle line per model year. In its petition, Toyota provided a detailed description and diagram of the identity, design, and location of the components of the antitheft device for the C-HR vehicle line. Toyota stated its MY 2020 C-HR vehicle line will be installed with an engine immobilizer device as standard equipment. Toyota also stated it will offer two entry/start systems on its C-HR vehicle line. Specifically, Toyota stated the C-HR vehicle line will be offered with a “smart entry and start” system or a “transponder key and start” system. Key components of the “smart entry and start” system on the C-HR vehicle line will include, a certification engine control unit (ECU), engine switch, steering lock ECU, security indicator, door control receiver, electrical key, ID code box, and an engine control module (ECM). Key components of the “transponder key and start” system on the C-HR vehicle line will include, a transponder key ECU assembly, transponder key coil, security indicator, ignition key and an ECM. Toyota stated there will also be position switches installed on the vehicle to protect the hood and doors from unauthorized tampering/opening. Toyota further explained that locking the doors can be accomplished through use of a key, wireless switch, or its smart entry system, and unauthorized tampering with the hood or door without using one of these methods will cause the

position switches to trigger its antitheft device to operate. Toyota will not incorporate an audible and visual alarm system on its vehicle line.

Toyota's submission is considered a complete petition as required by 49 CFR 543.7 in that it meets the general requirements contained in §543.5 and the specific content requirements of §543.6.

In addressing the specific content requirements of §543.6, Toyota provided information on the reliability and durability of its proposed device. To ensure reliability and durability of the device, Toyota conducted tests based on its own specified standards. Toyota provided a detailed list of the tests conducted (i.e., high and low temperature operation, strength, impact, vibration, electro-magnetic interference, etc.). Toyota stated it believes its device is reliable and durable because it complied with its own specific design standards, and the antitheft device is installed on other vehicle lines for which the agency has granted a parts-marking exemption. As an additional measure of reliability and durability, Toyota stated its vehicle key cylinders are covered with casting cases to prevent the key cylinder from easily being broken. Toyota further explained there are approximately 10,000 combinations for inner cut keys, which makes it difficult to unlock the doors without using a valid key because the key cylinders would spin out and cause the locks to not operate.

Toyota stated its "smart entry and start" system is activated when the engine switch is pushed from the "ON" ignition status to any other status. The certification ECU then performs the calculation for the immobilizer and the immobilizer signals the ECM to activate the device. Toyota also stated key verification is performed after the driver pushes the engine switch. Specifically, after the driver pushes the engine switch, the certification ECU and steering lock

ECU receive confirmation of a valid key, and the certification ECU allows the ECM to start the engine. Toyota stated the “transponder key and start” system is activated when the ignition key is turned from the “ON” position to some other status and the key is removed allowing the immobilizer to activate and signal the ECM. Toyota also stated in both systems, a security indicator is installed notifying users and others inside and outside the vehicle with the status of the immobilizer. Toyota further explained the security indicator flashes continuously when the immobilizer is activated, and turns off when it is deactivated. Toyota stated that the proposed antitheft device has also been installed as standard equipment on its C-HR vehicle line beginning with its MY 2018 vehicles. The theft rate for the MY 2018 C-HR vehicle line is not available. However, Toyota compared its proposed device to other devices NHTSA has determined to be as effective in reducing and deterring motor vehicle theft as would compliance with the parts-marking requirements. Toyota compared its proposed device to that which has been installed on the Nissan Altima and granted a parts-marking exemption from 49 CFR Part 541 by the agency beginning with its MY 2000 vehicles. Toyota also referenced the NHTSA theft rate data published for several years before and after the Nissan Altima was equipped with a standard immobilizer device. Specifically, Toyota stated the publication showed the average theft rate for the Nissan Altima dropped to 3.0 per 1,000 cars produced between MY’s 2000-2006 compared to 5.3 per 1,000 cars produced between MY’s 1996-1999. This represents approximately a 43% decrease in the theft rate for the Nissan Altima vehicle line installed with an immobilizer between MY’s 2000- 2006 as compared to the Nissan Altima vehicle line without an immobilizer between MY’s 1996-1999. The theft rates for the Nissan Altima vehicle line using an average of three model years’ data (2012- 2014) are 2.4207, 1.7598 and 2.1212 respectively,

all well below the median theft rate of 3.5826. Therefore, Toyota has concluded the antitheft device proposed for its C-HR vehicle line is no less effective than those devices on the lines for which NHTSA has already granted full exemption from the parts-marking requirements. Toyota stated it believes that installing the immobilizer device as standard equipment reduces the theft rate for the C-HR vehicle line and expects it to experience comparable effectiveness and ultimately be more effective than parts-marking labels.

Based on the supporting evidence submitted by Toyota on its device, the agency believes the antitheft device for the C-HR vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard (49 CFR 541). The agency concludes the device will provide four of the five types of performance listed in §543.6(a)(3): promoting activation; preventing defeat or circumvention of the device by unauthorized persons; preventing operation of the vehicle by unauthorized entrants; and ensuring the reliability and durability of the device.

Pursuant to 49 U.S.C. 33106 and 49 CFR 543.7 (b), the agency grants a petition for exemption from the parts-marking requirements of Part 541, either in whole or in part, if it determines that, based upon substantial evidence, the standard equipment antitheft device is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of Part 541. The agency finds Toyota has provided adequate reasons for its belief the antitheft device for the C-HR vehicle line is likely to be as effective in reducing and deterring motor vehicle theft as compliance with the parts-marking requirements of the Theft Prevention Standard (49 CFR Part 541). This conclusion is based on the information Toyota provided about its device.

The agency notes that 49 CFR Part 541, Appendix A-1, identifies those lines that are exempted from the Theft Prevention Standard for a given model year. 49 CFR Part 543.7(f) contains publication requirements incident to the disposition of all Part 543 petitions. Advanced listing, including the release of future product nameplates, the beginning model year for which the petition is granted and a general description of the antitheft device is necessary in order to notify law enforcement agencies of new vehicle lines exempted from the parts-marking requirements of the Theft Prevention Standard.

If Toyota decides not to use the exemption for this line, it should formally notify the agency. If such a decision is made, the line must be fully marked according to the requirements under 49 CFR Parts 541.5 and 541.6 (marking of major component parts and replacement parts).

NHTSA notes if Toyota wishes in the future to modify the device on which this exemption is based, the company may have to submit a petition to modify the exemption. Part 543.7(d) states that a Part 543 exemption applies only to vehicles that belong to a line exempted under this part and equipped with the antitheft device on which the line's exemption is based. Further, Part 543.10(c)(2) provides for the submission of petitions "to modify an exemption to permit the use of an antitheft device similar to but differing from the one specified in that exemption."

The agency wishes to minimize the administrative burden that Part 543.10(c)(2) could place on exempted vehicle manufacturers and itself. The agency did not intend in drafting Part 543 to require the submission of a modification petition for every change to the components or design of an antitheft device. The significance of many such changes could be *de minimis*. Therefore, NHTSA suggests if the manufacturer contemplates making any changes, the effects of

which might be characterized as *de minimis*, it should consult the agency before preparing and submitting a petition to modify.

For the foregoing reasons, the agency hereby grants in full Toyota's petition for exemption for the model year 2020 C-HR vehicle line from the parts-marking requirements of 49 CFR Part 541.

Issued in Washington, D.C., under authority delegated in 49 CFR part 1.95 and 501.8.

Raymond R. Posten,
Associate Administrator for Rulemaking.

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(Signature page for Grant of Petition for Exemption, MY 2020 Toyota C-HR)

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